



**Testimony  
Elizabeth Gara  
Connecticut Water Works Association  
Before the Energy Committee  
March 17, 2015**

The Connecticut Water Works Association (CWWA) supports **HB-6984, AN ACT CONCERNING REVENUE ADJUSTMENT CHARGES FOR WATER COMPANIES.**

This bill simply eliminates the restriction on the duration of the Water Revenue Adjustment charge authorized by the Public Utilities Regulatory Authority (PURA) without a rate case filing and provides for a more streamlined and cost effective regulatory process.

Public Act 13-78 authorized a Water Revenue Adjustment (WRA) charge to promote water conservation goals and ensure that water utilities do not over-collect or under-collect the revenues approved at the time of the company's last general rate proceeding. It may be a charge or credit on customers' bills based on actual water revenues collected in the prior year. Once requested, the company must continue the WRA annually thereafter with the amount subject to annual review and adjustment by PURA.

Current law limits the duration of Water Revenue Adjustment charges authorized to six years following the last general rate case. The proposed bill provides that a rate case settlement or other rate reopener would also be considered in determining the duration of the adjustment. Further, the proposed bill gives PURA the ability to extend the WRA, with the requisite annual review, for an additional 3 years upon request.

The six year limitation was put in place when the law was first passed in 2013, but since then the WRA has been successfully implemented by several water companies and the proposed change would streamline the regulatory process. The current limit is unnecessary inasmuch as the charges are subject to annual review and PURA receives an annual reconciliation of actual revenues to allowed revenues.

Without the change, utilities that had their last rate case prior to the adoption of the public act in 2013 would not even be allowed to apply the WRA for the six years originally expected. Absent the change, a company may be driven to file a full costly general rate case simply because of the current six year limitation in the law.

CWWA has reviewed and discussed this proposal with PURA and the Office of Consumer Counsel, who are in agreement with the measure as an opportunity to streamline the regulatory processes and still protect the interests of customers.

Thank you for the opportunity to comment in support of HB-6984.